13th May 1954] [Sri K. Bhashyam]

whether he is liable to surcharge in respect of all the lands held on the joint patta as a whole or only in respect of the portion of the land revenue payable by him.''

* THE HON. SRI M. A. MANICKAVELU NAICKER :—'' Sir, I believe that the liability to pay surcharge will be based on the amounts as actually allotted between the joint pattadars. We will make it quite clear in the rules.''

Clause 5 was put and carried.

Clauses 6 and 7 were put and carried.

Clause 1 and the Preamble were put and carried.

* THE HON. SRI M. A. MANICKAVELU NAICKER :—'' Mr. Chairman, Sir, I beg to move—

'*That the Madras Land Revenue (Surcharge) Bill, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be passed*'.''

MR. CHAIRMAN :—'' The question is—

'That the Madras Land Revenue (Surcharge) Bill, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be passed'.''

The motion was carried and the Bill was passed.

(2) THE MADRAS GENERAL SALES TAX (DEFINITION OF TURNOVER AND VALIDATION OR ASSESSMENTS) BILL, 1954 (L.A. BILL NO. 19 OF 1954).

* THE HON. SRI M. A. MANICKAVELU NAICKER :—'' Mr. Chairman, Sir, I beg to move—

'*That the Madras General Sales Tax (Definition of Turnover and Validation of Assessments) Bill*[a], 1954 (*L.A. Bill No.* 19 *of* 1954) *as passed by the Assembly be taken into consideration.*'

'' This Bill is in the nature of a validating Bill, as a result of the judgment of the High Court which held that in the calculation of turnover the amounts collected by a merchant as tax under the General Sales Tax Act should not be included as it amounted to a tax on tax. We have given effect to this judgment from the 1st April of this year but with regard to past transactions we have brought in this validating measure, because, however much we may try to give effect to the judgment, it will be administratively very difficult. We would have to refund the excess amounts already collected to the assessees some of whom might have died whilst others might have even left the country. All such difficulties will arise. Also, I will give another instance which has come to my

[a] Printed as Appendix II on page 46 infra.

notice. Some merchants expecting that a tax on tax would be levied have themselves collected the extra tax. How are we to make a distinction between the merchants who thus collected the extra tax in anticipation and the others who did not do so? Therefore there are such practical administrative difficulties and we regret that we are not able to give effect to the judgment in regard to past transactions. Of course, in regard to future transactions, we are giving effect to the judgment from the 1st April of this year."

MR. CHAIRMAN :—" Motion moved—

'That the Madras General Sales Tax (Definition of Turnover and Validation of Assessments) Bill, 1954 (L.A. Bill No. 19 of 1954), as passed by the Assembly, be taken into consideration.' "

* SRI K. BHASHYAM :—" Sir, the Government are always careful not to make their points very clear. What I would like to point out is that under Clause 3, what are sought to be validated are the collections that have already been made. But, as the clause stands, it looks as if all assessments made are also valid though they have not been paid. It also says that all judgments, decrees or orders pronounced by any Tribunal or Court are also valid even though the amounts might not have been collected. Is it the intention of the Government that in respect of collections already made they are sought to be validated or is it their intention that in respect of assessments already made but not paid that they should collect them also in spite of the fact that they are illegal assessments? Let the Government state clearly whether they want to make any more collections on these assessments or not."

* SRI MOHAMED RAZA KHAN :—" Sir, may I make a submission to take up this question tomorrow. It is not so easy and there is bound to be more discussion on this Bill as it is an important measure. I would therefore request the Leader of the House to take it up tomorrow as this also appears to be the sense of the House."

SRI M. P. GOVINDA MENON :—" Sir, I also join the hon. Member Sri Mohamed Raza Khan in regard to this request."

SRI T. PURUSHOTHAM :—" Sir, on a point of information, may I ask the Hon. the Leader of the House to state, whether any timings has been fixed for the sitting of the Legislative Council as the Assembly is sitting from 8-30 a.m. to 12-30 noon? In view of the excessive heat I would have been glad if the Government had considered the holding of the mid-summer sittings of the Legislature in Ootacamund. I hope they would consider this proposal at least in future years. It would certainly be better to consider such taxation measures at Ootacamund instead of in Madras, in the middle of May."

13th May 1954]

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, I have no objection if the hon. Members desire that the discussion be continued tomorrow. The House can sit from 2-30 p.m. to 5 p.m. for a few days and finish the business before it."

MR. CHAIRMAN :—" The House will now adjurn to meet again at 2-30 p.m. tomorrow."

The House then adjourned to meet again at 2-30 p.m. on Friday, the 14th May 1954.

VI.—PAPERS LAID ON THE TABLE OF THE HOUSE.

[a]1. *The Malabar Tenancy (Summary Trials) Rules*, 1954, *issued with G.O. No.* 677, *Revenue, dated* 23*rd March* 1954.

2. *The Malabar Tenancy Rules*, 1954, *issued with G.O. No.* 756, *Revenue, dated* 30*th March* 1954.

3. *The Malabar Tenancy (Determination of Fair Rent) Rules*, 1954, *issued with G.O. No.* 731, *Revenue, dated the* 26*th March* 1954.

4. *Notification No.* 126 *issued with G.O. Ms. No.* 361, *Home, dated* 13*th February* 1954, *regarding exemption of eleven lorries of Coorg State engaged in transport of rice to Malabar during December* 1953 *from payment of tax leviable under the Madras Motor Vehicles Taxation Act*, 1931 (*Madras Act III of* 1931).

5. *Notification No.* 56 *issued with G.O. Ms. No.* 150, *Home, dated* 20*th January* 1954, *regarding exemption of one bus of Road Transport Department, Government of Mysore, from the payment of tax under the Madras Motor Vehicles Taxation Act*, 1931 (*Madras Act III of* 1931).

6. *Notification No.* 217, *Home, dated the* 16*th March* 1954, *regarding reduction of tax on lorry MDU.* 1948 *fitted with 'Road Sweeping Magnet' belonging to Sri T. V. Sundaram Iyengar and Sons, Limited, Madurai.*

7. *Notification issued with G.O. Ms. No.* 747, *Home, dated* 22*nd March* 1954, *regarding the amendments to the Madras Motor Vehicles (Taxation of Passengers and Goods) Rules*, 1953.

[b]8. *G.O. No.* 488, *Finance, dated* 7*th April* 1954, *regarding constitution of Public Accounts Committee for the financial year* 1954–55.

9. *Notification issued with G.O. Ms. No.* 696, *Agriculture, dated* 10*th March* 1954, *regarding amendment to the Madras Commercial Crops Markets Rules*, 1948 [*Laid on the table of the House under Section* 18 (4) (*c*) *of the Madras Commercial Crops Markets Act*, 1933 (*Madras Act XX of* 1933)].

---

[a] Laid on the table of the House on 30th March 1954.

[b] Despatched by messenger on 11th May 1954.